Finance aid to Orissa

2029. SHRI B.J. PANDA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Director, World Bank had paid a visit to Orissa and promised financial aid to improve economic growth and control poverl as reported in the New Indian Express, Bhubaneswar, dated tl 20th December, 2002;

(b) if so, the details of the proposed action-plan discussed and drawn; and

(c) the types of reforms that would be taken up with the assistance and the time by when the assistance would be rendered?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Yes, sir. Country Director of World Bank, India, visited Orissa in December, 2002, Government of Orissa is currently at the 'preparation stage' of structural adjustment programme assistance from the World Bank. Several aspects of the programme such as policy on Fiscal Reforms, Public Enterprise Reforms, Public Expenditure Management and Administrative Reforms are under discussion. The programme would be negotiated when the preparations are complete and the programme has been approved by Government of India and the World Bank.

Relaxation in loan repayment liabilities of State Governments

2030. DR. AKHILESH DAS: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government of Uttar Pradesh, Madhya Pradesh, Rajasthan and Bihar have sought relaxation in loan repayment liabilities and relief in debt liability due to the Centre by modifying loan, grants ratio in Central aid under the Gadgil Formula;

(b) if so, the details in this regard; and

(c) Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Yes, Sir. As a part of the States' suggestions for a revision in the Gadgil Formula and in the subsequent discussions in the 49th Meeting of the National Development Council (NDC) held on 1st September, 2001, several non-special category States have *inter-alia,* proposed liberalising the existing loan-grant ratio of Central Plan Assistance. The existing loan-grant ratio of plan assistance to States is based on the Gadgil Formula as approved by the NDC in December, 1991. Any change in the Formula requires the approval of the NDC. Moreover, a change in the existing ratio has implication on Centre's revenue and capital receipts and thereby on the plan assistance to States. Hence, any decision on this subject would be based on the overall resource position of the Centre and the decision of the NDC in this regard.

Circulation of Bhutanese currency in West Bengal

2031. SHRI TARINI KANTA ROY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware that Bhutanese currency are in wide circulation at the Indo-Bhutan bordering areas *e.g.* Jalpaiguri, Coochbehar and Dooars of West Bengal; and

(b) if so, the steps Government propose to check the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) To check circulation of Bhutanese Currency in the Indo-Bhutan bordering areas Reserve Bank of India has taken steps to improve supplies of Indian Currency to these areas. The position of stock of notes and coins in these areas is monitored by RBI, Central Office on a monthly basis. Further the district administration of Jalpaiguri and Coochbehar Districts have taken necessary action to check the circulation of Bhutanese Currency in border areas.